

UD Report: Captive Insurance Program Boosts Delaware's GDP, Jobs, Incomes, Tax Revenue

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Commissioner Stewart Celebrates Captive Bureau's Economic Impact

DOVER, DE –Insurance Commissioner Karen Weldin Stewart today announced the release of a University of Delaware economic impact study which shows that the Department of Insurance's captive insurance program contributes nearly \$360 million to Delaware's annual gross domestic product. The captive program also directly and indirectly supports 2,537 Delaware jobs, creates almost \$109 million in additional income, and generates over \$5 million for the state in tax revenue, the report shows.

The study, *The Economic Contributions of the Captive Insurance Industry to the Delaware Economy*, was conducted on behalf of the DOI by the University of Delaware's Alfred Lerner College of Business & Economics' Center for Applied Business & Economic Research (CABER), which has produced similar economic impact studies for the Firefly Music Festival and Delaware's horseracing industry.

CABER surveyed 108 captive insurance companies doing business in Delaware and used data from businesses providing services to those companies. The report breaks out the program's economic impact per \$1,000 spent by the DOI for the captive industry. For every \$1,000 spent, 1.95 jobs are created,

\$83,574 in income is generated, and \$4,301 in taxes are collected. Captive program spending supports 950 jobs in finance and investment industry, 447 jobs in legal, accounting and professional support, and 209 retail jobs. The complete report may be found at <http://captive.delawareinsurance.gov/docs/pdfs/captive-industry-impact-on-de-econ-caber-report-201608.pdf>

“I instituted the Bureau of Captive and Financial Insurance Products in 2009 and I’ve watched it grow ever since,” said Commissioner Stewart. “Thanks to my captive director, Steve Kinion, and my topnotch captive staff, we are consistently one of the top captive domiciles in the US and in the world. But until now, I don’t think many people were aware of exactly what we contribute to Delaware’s economy. The CABER report rewards my faith in captives as a revenue generator for our state.”

Captive insurance entities are owned by the companies that they insure, and are generally formed by businesses who wish to better manage the cost and administration of their insurance coverage. DOI’s captive bureau is self-sustaining and currently contributes an annual surplus in tax and fee revenue of over \$3 million to the Delaware general fund.

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